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## DIRECTORATE OF INTELLIGENCE

10 February 1987

Korean Tension Reduction: New Flexibility  
in P'yongyang? 

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Summary

P'yongyang's proposal in January for political and military talks with Seoul represents the latest in a series of moves over the last 18 months ostensibly designed to reduce military tensions on the peninsula. Despite the sense of deja vu engendered by the offer, we believe that North Korea's actions represent a new wrinkle in P'yongyang's approach toward Seoul, including--perhaps for the first time--a willingness to let military readiness slip a notch in order to achieve political goals. We do not interpret the North's behavior as a harbinger of fundamental change in its attitude toward either the South or the United States and believe that P'yongyang has crafted its initiatives to avoid harming basic military capabilities. Nonetheless, reductions in North Korean military training, increased attention to the role of military forces in economic work, and the proposals for talks, bring gains for P'yongyang's image and for the domestic economy, leading us to

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[redacted]

believe the North may be prepared to address tension reduction steps more seriously than it has in the past. [redacted]

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### The North's Proposals

The North's measures to reduce tensions combine variations on old themes with some new ideas, well short of significant reductions in P'yongyang's military advantage over Seoul. But some of them also reveal an apparent--and striking--willingness to degrade short-term readiness in ways that have not been evident heretofore in P'yongyang's behavior. [redacted]

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DMZ tension reduction: At a meeting of the Military Armistice Commission (MAC) in July 1985, the North Koreans tabled their first solid proposals for reducing tension in the Joint Security Area (JSA) and the surrounding sector of the Demilitarized Zone (DMZ). The North called for reduction in the number of JSA guards, limitations on the guards' weapons, and the dismantling of military structures in the area. The United Nations Command (UNC) rejected the proposals because they did not provide for verification of weapon reductions and would have put US guards in a less secure position. Nonetheless, negotiations continued sporadically following the proposal, though they have yet to produce measures acceptable to the UNC. [redacted]

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Exercises. Early in 1986, P'yongyang demonstrated uncharacteristic flexibility when it unilaterally suspended military exercises. In December 1985, complementing the demand that Washington cancel the 1986 Team Spirit exercise, P'yongyang proposed a mutual cessation of all large military exercises. The offer was not unprecedented--it was first made, and subsequently dropped, in 1979. In January 1986, however, P'yongyang announced that it would unilaterally cease large-scale military exercises on 1 February. During Team Spirit, neither we nor the South Koreans detected any major exercises in the North--normally a time of heavy North Korean Army training. The ban on large exercises has continued into 1987. [redacted]

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Trilateral Military Talks to Discuss Tension Reduction. Last June, P'yongyang proposed direct meetings of top US, South Korean, and North Korean military commanders. In our view, the offer appeared less a tension reduction initiative than an attempt to establish a forum to sell the North's other proposals. In any case, Seoul and Washington rejected it on the grounds that the discussion belonged in the Military Armistice Commission forum. P'yongyang subsequently announced it would not resume the North-South dialogue, which the North unilaterally suspended in January 1986, until the offer of trilateral military talks was accepted. [redacted]

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The Diversion of Military Troops for Economic Work. Last September, P'yongyang announced that 150,000 troops had been diverted to construction projects, portraying the move as a tension reduction gesture toward Seoul. Although we cannot confirm whether P'yongyang is actually moving this many troops, military involvement in economic projects is not new--troops work annually during the busy harvest and rice transplanting seasons and have been used in a number of road and dam building projects. Nonetheless, the North has seldom advertised such diversions of military manpower or cited the number of men involved. More recently, P'yongyang claimed that it originally planned to discharge the 150,000 troops altogether, but has been compelled to keep them in uniform as they work on economic projects because its June proposal for tension reduction talks was rejected.

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Bilateral Political and Military Talks. In his 30 December public address to North Korea's Supreme Peoples Assembly, Kim Il-sung presented a new formula for contacts with Seoul--bilateral talks both to ease military tension and to reduce political confrontation. Besides suggesting that the two sides discuss some of the political issues addressed by the suspended North-South dialogue as well as force reductions and military exercises, Kim broke new ground by suggesting a stronger role for the Neutral Nations Supervisory Commission (NNSC) in reducing tension in the DMZ. He also said the North now was willing to discuss "any other questions proposed by (Seoul) if they are helpful to the relaxation of the political and military strain." Kim refrained from linking trilateral talks and conclusion of a peace agreement with the United States to his offer of talks with Seoul.

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### A Critique: What Is P'yongyang Up To?

We believe the North's behavior reflects a different approach to dealing with the South and the United States, rather than tentative steps toward some form of genuine military accommodation. The actions and ideas surfaced so far obviously do not address our core concerns about the size and growing offensive character of P'yongyang's arsenal, the key to the North's ability eventually to move against the South.

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The initiatives to reduce DMZ tension suggest to us that P'yongyang hopes to demonstrate some flexibility and indicate room for accommodation without undercutting the North Korean military position. An objective look at the record of violence at Panmunjom indicates P'yongyang has much to gain from tension reduction in the JSA and the DMZ. In virtually every altercation, ranging from the ax murders of two US Army officers in August 1976 to the shooting incident during the defection of a Soviet citizen in November 1984, North Korea has emerged the public relations loser, reinforcing its image of malevolent

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unpredictability. [REDACTED]

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Concessions on security issues in the DMZ also promise P'yongyang a public relations advantage without incurring a significant cost to its military posture. On both sides, the troops stationed within the DMZ represent a small fraction of total military forces. Over the years neither the the North nor the UN Command has enhanced significantly the capabilities of its forces in the zone. There has been some construction of anti-infiltration/defection barriers and gradual modernization of military equipment, but most military improvement has taken place outside the DMZ. [REDACTED]

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The standdown in large military exercises suggests a similar rationale. We are convinced the North regards its halt as strengthening the argument for the withdrawal of US forces without undercutting its own equities.<sup>1</sup> P'yongyang has consistently made exaggerated claims of a fear of invasion by the South. In the 1980s, the North has highlighted the annual Team Spirit exercise as a reason for its own military buildup and, along with other exercises, as the major source of tension on the peninsula. For its part, the UN Command since 1981 has proposed mutual notification and assignment of observers to deal with the problem, an offer declined by the North. [REDACTED]

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Given the importance of training for an effective defense,

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<sup>1</sup> This use of the exercise issue may not be the first time the North has linked its training to goals that go beyond the strictly military. Before the mid-1970s, the occurrence or absence of large exercises seemed to correspond to military circumstances--the shift from unconventional to conventional doctrine in the late 1960s, and the rapid buildup of ground forces units in the early-to-mid 1970s. After the US announcement of its intention to withdraw its ground forces from South Korea in 1977, large exercises dropped off sharply, as P'yongyang apparently sought to avoid undoing that US decision. Two months after the US policy reversal in July 1979, North Korean Army units began preparations for an exercise. In early 1980, after the assassination of President Pak Chong-hui in October and the military coup by Chun Doo-hwan supporters in December, the North Korean Army carried out what we believe was the largest exercise since the Korean War, involving the movement of several divisions from the rear area toward the DMZ. Other large exercises took place in 1981 and 1982, but since 1983, when North Korea began a series of diplomatic initiatives, regular Army exercises have not reached the scale that we believe would be necessary to build and maintain the effectiveness of North Korea's new armored and mechanized units. [REDACTED]

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from a military perspective the North almost certainly knew its exercises proposal would be difficult for South Korea and the United States to accept. In our judgment, North Korea's suspension of its own large exercises will reduce the offensive and defensive effectiveness of its forces. Indeed, the military costs of the standdown suggest it is driven not only by important public relations goals, but other priorities as well. [redacted]

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Economic needs, in our judgment, are an important factor. Even before the North's standdown on exercises last year, military training had declined and there was growing evidence of a tightening in the North's already meager oil supplies. The apparent effect of fuel shortages on training remains most visible in the Air Force and Navy--Air Force flight training appears barely sufficient to maintain basic pilot proficiency. Combat effectiveness probably is well below what it was two years ago, when we began to notice the falloff in military training. Military fuel supplies once appeared to be nearly inviolable, but we have seen more instances of diversion of military fuel to the civil sector than we had in previous years. [redacted]

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In our view, the consequences of more limited training and the temporary diversion of military personnel for economic work are short term and reversible. Military fuel stockpiles can be replenished gradually, and P'yongyang can resume heavier, larger scale training, reaching higher levels of readiness in as little as one year. In short, if fuel and other shortages are a major factor in reduced training--and if the North's announced diversion of 150,000 troops to economic projects is true--P'yongyang far more than in the past may be making a virtue of necessity via its tension reduction program. [redacted]

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The North's call for bilateral political/military talks may be a tactic, prompted by the rejection of trilateral military talks, to keep pressure on the South. By proposing a form of renewed North-South dialogue without preconditions in lieu of direct contacts with Washington, P'yongyang may believe Seoul will find the offer difficult to refuse. The timing of the proposal--just before President Chun's state of the nation speech and the announcement of Team Spirit '87--suggests P'yongyang also wanted to put Chun on the spot. [redacted]

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### Potential Payoffs

It is clear from the North's persistence in pushing these themes that P'yongyang is demanding a hearing on its tension reduction initiatives. We believe the North's focus on military issues primarily seeks gains for its image and for the domestic economy. If we are correct--and the evidence on the North's standdown in military exercises suggests that P'yongyang has already moved in this direction--the North will be positioned to shift more scarce resources, such as fuel, toward pressing

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economic needs. [REDACTED]

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From the North's vantage point, its moves could confer Important long-term advantages:

- Virtually all P'yongyang's initiatives strike themes on which it can expect broad Soviet support. In general, tension reduction fits well with foreign and military policy goals enunciated by General Secretary Gorbachev. Moreover, we have long believed that Moscow's reluctance to provide much modern military equipment to the North over the past decade stemmed from its concern over stability on the peninsula, and the North may hope its behavior will bring an increased flow of new Soviet weapons--particularly in the face of Seoul's own military improvements.
- P'yongyang may hope to hold down increases in Seoul's defense spending and military modernization. The strength of Seoul's economy allows acquisition of more modern weapons--such as the F-16 fighter and the K-1 tank--in sufficient numbers to begin reducing P'yongyang's overall military lead in the next few years.
- And, by continuing to address the DMZ tension theme, P'yongyang can keep the spotlight on the potential for violence--and the dangers posed to the 1988 Seoul Olympics--should Seoul fail to be forthcoming in future cohosting talks. [REDACTED]

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Finally, the North could see a chance in its proposals to establish a format for discussions that ultimately will bring substantive contact with the United States, a goal P'yongyang still appears eager to gain even at the price of tacitly according coequal status on the peninsula to South Korea. Washington has encouraged P'yongyang to address longstanding US tension reduction proposals at the Military Armistice Commission level, and the North could intend its initiatives to be read as steps in that direction. If the North is serious about sustained contacts with senior South Korean and US military officers, it may also hope to engender a review of US policy toward three-way contacts. [REDACTED]

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#### Next Steps

Presuming the North is on a confidence-building course, we believe there are several areas where it could show further flexibility, although the chance for future steps obviously will depend on responses to proposals now already on the table:

- The North could give some ground on tension-reduction

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measures in the DMZ and JSA by agreeing to compromises with the UN Command. Verification arrangements and joint incident investigation teams are two areas already proposed for possible cooperation. The North also could improve the discipline of JSA guards and DMZ police to ensure the number of its violations remains well below that of the UNC.

- The North could continue its unilateral exercise moratorium. Costs in terms of short-term readiness would be high, but they could be offset by more routine low-echelon training and possibly more frequent command post exercises.
- As a less likely alternative to a complete exercise standdown, the North might opt for a qualified acceptance of the longstanding UNC proposal for mutual exercise notification and observation. If it followed this course, we would expect P'yongyang to concentrate its exercises on defensive operations. Any observation, if permitted, would be carefully controlled.
- P'yongyang could further diversify the use of active-duty military units in the economy and publicize the shift more heavily. The North might follow through on hints that it is willing to discuss force reductions. The Army's large size, in our view, would permit substantial reductions, which in any event could be offset by organizational changes, such as adoption of a Soviet-style system of fully equipped but partially manned infantry divisions. Any move of this sort, in our view, probably would not be accompanied by agreement to realistic verification arrangements. [redacted]

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Steps Back?

Even if P'yongyang's initiatives represent a coordinated effort to reduce tension, none of the steps taken so far is

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irrevocable or connotes guarantees that it will continue on this course. In fact, its handling of North-South issues since early last year has suggested some increased impatience with Seoul and Washington. At the annual South Korea-US Security Consultative Meeting last May, US officials announced that Team Spirit exercises would continue over the next few years. The North reacted with anger, quickly linking its refusal to resume the North-South dialogue to the announcement. Although the North's June proposal for direct military talks may have been an effort to demonstrate flexibility and elicit a more positive signal, P'yongyang has since linked its refusal to resume the North-South dialogue to the rejection of the June proposal by Seoul and Washington. In any case, the fact that the North has persisted suggests P'yongyang believes it is well positioned to press further for a response based on a "demonstrated" record of going the extra mile in proposing tension reduction steps. [REDACTED]

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